

**PRESS RELEASE**  
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## **Embracing digital economy crucial for inclusive growth in the Asia-Pacific**

**3 March 2015 (Singapore)** – Overall growth rate has slowed in the Asia-Pacific region but there is still good potential for growth, said Dr. Narongchai Akrasanee, Minister of Energy of Thailand and Chair of Thai committee for PECC. “Innovations in technology and digitalization, rise of the middle class in the region are significant drivers of growth. These changes will continue at lightning speed with or without policy catching up to these developments,” he added.

The rise of middle class with behavioral changes in consumption and lifestyle, growing purchasing power, has huge implications on the region’s tourism industry, retail and property markets, and urbanization. The speed of digital revolution is unprecedented and the emerging economies stand to benefit as much as the developed economies by sound management of e-commerce, big data across borders. Digitalization that can enable and empower SMEs and the less privileged in the region deserves timely policy formulation and adjustments by APEC economies.

“There is correlation between poverty and education attainment,” said Ambassador Laura Del Rosario, Chair of Senior Officials Meeting (SOM) for APEC 2015. “Human capital development provides the indispensable foundation for sustainable and resilient growth, and regional economic integration,” she said. The ‘new normal’ offers numerous opportunities for smaller and developing economies to leapfrog but is conditional upon access to knowledge and having the necessary skills to be able to embrace the latest digital technology. Referring to the [PECC State of the Region report of 2013](#), which identified inclusive growth being least satisfactorily addressed among the five APEC growth agenda (balanced, sustainable, inclusive, innovative and secure), Laura Del Rosario emphasized on the importance of focusing on inclusive growth, this year’s APEC theme.

“Increasing the quality in services, facilitating cross-border services trade, including healthcare and education become critical as some of the region’s economies are grappling with the aging trend and the need to better equip the next generation to compete in the global labor market,” said Ambassador Antonio Basilio, Chair of the Philippine Committee for PECC (PPECC), as co-host of this year’s [PECC Singapore conference](#), which took place on 27<sup>th</sup> February.

APEC governments need to respond to the new realities we are facing. It is in this context that this year’s conference was entitled, “Achieving Inclusive Economic Growth in the New Normal.” One notable aspect is that “people will constantly innovate and improvise, communicate and transact using their mobile phones with or without the appropriate policies,” said Dr. Narongchai Akrasanee.

“When PECC and APEC began, our outlook was simply geared towards trade facilitation of goods. Now our agenda have become much more interconnected and complex. We are talking about global value chains, facilitating cross-border flows of capital, people, services and goods, taking advantage of borderless digital economy,” said the former Minister of Trade, and former Minister of Tourism and Creative Economy of Indonesia, Dr. Mari Pangestu. She also added that the challenge is to facilitate cross-sectoral collaboration to ensure comprehensive approach in enhancing trade and investment, movement of goods, services and people across borders. “Increasing connectivity is a matter of efficiency and also a matter of reducing practical barriers such as complications in visa and other red tapes without forsaking security,” she said.

“We are still facing considerable infrastructure deficit in the region and finding innovative ways of financing these important projects is a crucial issue that APEC needs to focus on, with view to create more jobs, stimulate economic growth, and promote overall inclusive growth,” said Mr. Jusuf Wanandi, Co-chair of PECC.

“Over the last 25 years, APEC has succeeded in removing various trade barriers and reducing cross-border inefficiencies. However, the next task is to build and strengthen connectivity domestically and regionally to ensure high-quality, inclusive growth,” said Ambassador Don Campbell, Co-chair of PECC.

Dr. Tan Khee Giap, Chair of Singapore National Committee for Pacific Economic Cooperation (SINCPEC) said “this annual conference series aims to serve as an agenda-setting exercise and provide direct feedback to the APEC and its chair for the year, this year being the Philippines.” “It provides momentum and facilitates continuity of issues deemed of importance for APEC,” he added.

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